



1		I N D E X			
2	Witnesses:	Direct	Cross	Re - direct	Re- cross By Examiner
3	Martin Gilmore	4		7, 19	22

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7		E X H I B I T S		
8	Number	For Identification		In Evidence
9	Petitioner's No. 1	2		7

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1                   (Whereupon, Petitioner's  
2                   Exhibit No. 1 was  
3                   marked for identification  
4                   as of this date.)

5       JUDGE SAINSOT: By the authority vested in me by  
6       the Illinois Commerce Commission, I now call Docket  
7       No. 00-0242, US Ave-Tel, Inc., which is an  
8       Application for a Certificate of Local and  
9       Interexchange Authority to operate as a reseller and  
10      a facilities based carrier of Telecommunications  
11      Services in the State of Illinois.

12               Will the parties state their name and  
13      address for the record, please.

14      MR. DONOVAN: On behalf of the Applicant, Joe  
15      Donovan, 30 North LaSalle, Suite 4100, Chicago,  
16      Illinois Chicago, Illinois 60602.

17      MR. GILMORE: Martin Gilmore, 3555 Salt Creek  
18      Lane, Arlington Heights, Illinois 60005.

19      MR. KOCH: For Staff, this is Robert Koch,  
20      K-o-c-h, I'm with the Rates section of the  
21      Illinois -- the Illinois Commerce Commission, 527  
22      East Capitol, Springfield, Illinois.

1 MS. JACKSON: Cindy Jackson, Consumer Services  
2 Division, Illinois Commerce Commission, 527 East  
3 Capitol Avenue, Springfield, Illinois.

4 JUDGE SAINSBOT: Thank you.

5 Mr. Donovan?

6 MR. DONOVAN: Yes.

7 EXAMINATION

8 BY

9 MR. DONOVAN:

10 Q. Mr. Gilmore, can you state your name and  
11 your business address for the record.

12 A. Yes, Martin Gilmore, G-i-l-m-o-r-e; business  
13 address is 3555 Salt Creek Lane, Arlington Heights,  
14 Illinois 60005.

15 Q. Are you the same Martin Gilmore who prepared  
16 and sponsored the testimony of Martin Gilmore in  
17 support of the application of US Ave-Tel Inc., in  
18 this proceeding?

19 A. I am.

20 Q. I assume you have in front of you what's  
21 labeled your -- testimony of Martin Gilmore in  
22 support of the application along with the Attached

1 Exhibits A through D?

2 A. Yes, I do.

3 Q. Was this testimony prepared under your

4 control and supervision?

5 A. Yes, it was.

6 Q. Do you state under oath that this is

7 your -- the testimony as you've prepared it?

8 A. Yes, with one addition.

9 Q. You have an addition?

10 A. I do. Shall I give it to you now?

11 Q. Please.

12 A. I'd like to add our customer support number

13 to page 4 under the question: Please provide

14 information concerning the company's customer

15 service repair contracts.

16 Q. Okay. And what is that number?

17 A. 800-828-3639.

18 Q. Okay. Were there any other changes that you

19 would like to make to your testimony?

20 A. No.

21 Q. So if I were to ask you these questions

22 again today, the answers would remain the same with

1 that one change?

2 A. Yes.

3 MR. DONOVAN: Without objection then, I would  
4 prepare the witness for cross-examination.

5 JUDGE SAINSOT: Okay. Are you moving for entry  
6 of his direct examination into evidence?

7 MR. DONOVAN: Correct. I would -- I would move  
8 for admission of the testimony of Martin Gilmore and  
9 the Attachments A through D. There will be an  
10 additional attachment that we hope to put in, and  
11 that is a list of biographical information. We did  
12 not that attach that as part of our direct; but as a  
13 result of the inquiries of Staff -- so we would move  
14 that that be attached as Exhibit E.

15 JUDGE SAINSOT: Okay. Staff, do you have any  
16 objections?

17 MR. KOCH: No.

18 JUDGE SAINSOT: Okay. Your motion is granted.  
19 Petitioner's Exhibit 1, which is the prefiled  
20 testimony of Martin Gilmore, is entered into  
21 evidence; and Attachment E, which is the  
22 biographical information on Mr. Gilmore and a few

1 other company principals, Mr. Lough Miller and Mr.  
2 Tvrdik, is entered into evidence.

3 (Whereupon, Petitioner's  
4 Exhibit No. 1 was  
5 admitted into evidence as  
6 of this date.)

7 JUDGE SAINSOT: Okay. Staff, are you ready to  
8 proceed or do you have any questions?

9 MS. JACKSON: Yes, we do have questions. We were  
10 deciding who was going to go first.

11 JUDGE SAINSOT: Okay.

12 EXAMINATION

13 BY

14 MS. JACKSON:

15 Q. Mr. Gilmore, looking first at the  
16 application that you filed with the Commission --

17 A. Yes?

18 Q. -- under Question No. -- No. 1, you stated  
19 that you have applied for your federal employer  
20 identification number. Have you received that  
21 number yet?

22 A. Yes, we have.

1 Q. Would you please give me that number.

2 A. You know, I apologize. I -- can I get that  
3 back to you?

4 Q. Sure.

5 Looking at Question No. 12 of your  
6 application --

7 A. Okay. Specifically --

8 Q. -- the managerial requirements of that  
9 company --

10 A. Yes, yes.

11 Q. -- Exhibit E, you provided us some more  
12 detail on the managerial aspects of your company.

13 Are there any other employees within your  
14 company that have telecommunications experience  
15 and/or customer service experience?

16 A. Well, functionally, the employees today --  
17 if you notice, we mention that myself, Eric Lough  
18 Miller, and Ted Tvrdek work for Avenue currently.

19 Q. Uh-huh.

20 A. Functionally, the employees who work for  
21 Avenue will become employees of US Ave -Tel and  
22 Avenue will basically be maintained as a -- as a



1 brand name by -- and today we have some 70 employees  
2 with Avenue and some 130 customer support reps on an  
3 outsourcing basis.

4           So that entire core group will move down  
5 into -- into US Ave-Tel and all -- and there's a  
6 significant amount of experience relative to  
7 telecommunications.

8           As you would imagine we're -- we're  
9 managing one of the largest private networks here in  
10 Illinois right now.

11       Q.    Okay.  You state you will bill your  
12 customers directly for service.  Will you bill them  
13 on a monthly basis?

14       A.    Yes.

15       Q.    And will the det - -- the monthly billing  
16 statement be detailed?

17       A.    Yes.

18       Q.    And it will list all services and features,  
19 taxes and surcharges?

20       A.    Yes.

21       Q.    You stated that you have a customer service  
22 center.

1       A.    Yes.

2       Q.    And if someone has a complaint regarding  
3 service or their bill, how will that call be  
4 processed once it comes into the customer service  
5 center?

6       A.    Our business motto calls for a first level  
7 customer support to handle -- we don't call them  
8 disputes until we've disputed them -- to discuss the  
9 customer's problems. Escalation problems are passed  
10 up to a management group; and if a -- if it becomes  
11 a dispute, relative to 735 we would notify the  
12 customer of visibility -- to avail themselves of the  
13 protection of 735 and then handle it from --  
14 accordingly.

15      Q.    Okay. But your customer service rep will  
16 take the information and investigate --

17      A.    Yes.

18      Q.    And --

19      A.    We go for 95 percent -- of that level.

20      THE REPORTER: What did he say after 95 percent?

21      MR. DONOVAN: I'm sorry. I coughed.

22      THE REPORTER: 95 percent --

1 THE WITNESS: Right. We try not to have --  
2 especially in a consumer environment, we try not to  
3 have -- we escalate very few calls given the cost of  
4 escalation.

5 So if a customer is disputing a bill, 95  
6 percent of those are usually handled at the customer  
7 support level, Level 1 of escalation procedures.

8 BY MS. JACKSON:

9 Q. The question on No. 19, you state that your  
10 company will comply with all federal and state  
11 regulations for slamming and cramming. And you go  
12 on to state that you use third-party verification  
13 with telemarketing companies.

14 Will you also use a letter of  
15 authorization?

16 A. Yes.

17 Q. Do you plan to solely rely on third-party  
18 telemarketing?

19 A. For our marketing?

20 Q. Uh-huh.

21 A. No.

22 Q. Okay. Will it be in-house marketing?

1       A.    Yes.  We market -- our core marketing is  
2 through our existing ISP base.

3       Q.    Okay.

4       A.    That is our -- we have some 20,000 customers  
5 today on our network --

6       Q.    Okay.

7       A.    -- as an ISP.

8       Q.    Okay.  Looking at Question No. 23 in the  
9 application -- you've answered the first part.  It  
10 states you utilized your own equipment at the  
11 facility.

12               However, you've asked for a resale  
13 certification also; so are you planning on using any  
14 of the ILEC's equipment in Illinois?

15       A.    Oh, absolutely.

16       Q.    And which company would that be?

17       A.    I would imagine Ameritech.

18       Q.    Looking at your prefiled testimony, I have  
19 some questions now --

20       A.    Okay.

21       Q.    Okay.  On page 4, the second to the last  
22 paragraph at the end of the page, near the bottom of

1 the page, it says, The company intends to have a  
2 local staff -- office staff with technical personnel  
3 before initiating facilities based service.

4           You're not going to have a local office  
5 with resale service?

6     A.    Oh, I think it's moot because we have that  
7 office already.

8     Q.    Okay.

9     A.    So since it exists, we would have it either  
10 way.

11    Q.    So you already have an office?

12    A.    Yes.

13    Q.    Okay. And page 9, the question -- the first  
14 question at the top of the page asks if you will  
15 follow the regulations described in Illinois  
16 Administrative Code Part 755 and 756; and you state  
17 that the company will either provide these services  
18 directly or contract with the local incumbent  
19 exchange carrier --

20    A.    Yes?

21    Q.    You did sign membership forms for the  
22 Illinois Telecommunications Access Corporation?

1       A.    I believe we did.  I'll have to defer to Joe  
2   on that.

3       MR. DONOVAN:  If I may interject.

4               Cindy, we -- we did sign those.  And I  
5   thought I faxed those to you last week.  I have a  
6   copy of them in my file if that would be of any  
7   assistance.

8       MS. JACKSON:  No, you did fax those to me; but by  
9   signing those membership forms, you are a member of  
10   this corporation and this corporation will provide  
11   this service for you, not ILEC or not your company  
12   directly.

13      MR. DONOVAN:  Okay.  I see what you're saying.

14      THE WITNESS:  Yes, I'm --

15   BY MS. JACKSON:

16      Q.    So you will have ITAC perform these services  
17   for you?

18      A.    Okay.  Maybe I misunderstood.  I thought we  
19   had the option still; but if that's the case --

20      Q.    No.  You don't have the option.

21      A.    Okay.  Then, yes, we will.

22      Q.    Okay.  I just have a couple clarifying

1 questions now.

2 Does your company plan on becoming an  
3 eligible telecommunications carrier?

4 A. An eligible...?

5 Q. Uh-huh.

6 A. I'm not sure of the question. You'll have  
7 to clarify that.

8 Q. It's a certification that companies receive  
9 in Illinois to receive funding -- federal funding  
10 for high costs and for Lifeline and Linkup  
11 customers.

12 A. I'll have to defer that. I'm not quite  
13 sure. We're not fans of taking federal funding.

14 So -- we already do a lot of work in the  
15 educational spectrum and we never take federal  
16 funding there.

17 Joe, are you familiar with -- if I'm  
18 going to do that or not?

19 MR. DONOVAN: To my knowledge, we haven't  
20 discussed it.

21 MS. JACKSON: Okay. Yeah, I mean, it's an  
22 optional filing. I'm just kind of in the inquiry

1 stage right now.

2 THE WITNESS: Okay. Well, to date we have not  
3 planned to. But we'll have to review it closer to  
4 see if we will.

5 Can we leave it at that?

6 MS. JACKSON: You sure can.

7 THE WITNESS: Okay.

8 BY MS. JACKSON:

9 Q. Does your company realize then that it  
10 wouldn't be eligible to receive any federal funding  
11 for the Lifeline and Linkup program?

12 A. We were aware of that, yes. But clearly,  
13 it's something we better look into.

14 Q. How does your company plan to solicit  
15 customers?

16 A. Almost a hundred percent through our  
17 existing relationship with ISP customers, meaning  
18 Avenue has existing ISP customers. US Ave-Tel will  
19 now take over the maintenance of those and we will  
20 market through those existing relationships.

21 Q. Okay. Has your company written any  
22 guidelines to prevent slamming and cramming of



1 customers?

2 A. We wrote software years ago. If you look at  
3 my bio, we had a software company; so we are very  
4 aware of those troubles and -- absolutely.

5 Q. Do you have guidelines written for your  
6 customer service representatives --

7 A. Yes.

8 Q. -- and your sales force to make sure that  
9 they do not slam or cram consumers?

10 A. Yes.

11 Q. Has your company ever provided service under  
12 any other name?

13 A. No.

14 Q. Have any complaints or judgments ever been  
15 levied against your company?

16 A. No.

17 Q. In the prepaid cross questions that you've  
18 provided to me --

19 A. Did you get those in time to look at?

20 Q. Yes, I got them.

21 A. Okay.

22 Q. Thank you.

1           On the fourth page, it talks about if a  
2 customer runs out of credit, the customer's account  
3 will be suspended and no outgoing or incoming calls  
4 will be allowed except for 911, 411, 800, and  
5 operator-assisted calls --

6       A.    Yes.

7       Q.    I mean, I can understand why the exception  
8 is there for 911; but what about for the 411, the  
9 800, and the operator-assisted?

10      A.    Well, that's in some way sort of a standard  
11 benchmark. That's more customer attention than it  
12 is -- meaning we are in a competitive environment;  
13 and when one shuts off any service from a customer,  
14 you risk losing that customer long term.

15           So I think the decision was made to give  
16 as much service as you can without exposing the  
17 company.

18      Q.    Uh-huh.

19      A.    And -- so that's why that decision was made.

20      Q.    Okay.

21      A.    It's more of a marketing than a functional  
22 one.

1 MS. JACKSON: Thank you. That's all my  
2 questions.

3 MR. GILMORE: Thank you very much.

4 JUDGE SAINSOT: Okay. Mr. Koch, do you have any  
5 questions?

6 MR. KOCH: Yes, I do, ma'am.

7 JUDGE SAINSOT: Okay.

8 EXAMINATION

9 BY

10 MR. KOCH:

11 Q. When does the company plan to provide  
12 facilities based services?

13 A. The facilities based will be pushed down a  
14 little bit. We will initially negotiate our  
15 agreements with the ILEC on a switchless basis.

16 And again, you both know this is a very  
17 competitive environment; and part of our management  
18 is to decide how well we're doing before we take on  
19 the risk of facilities based with respect to cost.

20 Q. Okay.

21 A. So I would say that could be pushed on as  
22 much as 12 months.

1 Q. Okay. But that's -- I guess -- can I  
2 characterize that as saying that it would be no  
3 later than 12 months?

4 A. Yes.

5 Q. Okay. And what types of facilities does the  
6 company plan to deploy?

7 A. Specifically what switches?

8 Q. Switches mainly, so you would be working on  
9 the UNE platform or --

10 A. Yes. And specifically -- and again I'm not  
11 the total -- although I'm very much involved in  
12 these -- when you say facilities, to me -- I would  
13 say classify the switches at our facilities.

14 And Lucent owns a small part of our US --  
15 excuse me, Lucent owns a small part of Avenue and  
16 will be instrumental in moving for the 5-E platform.  
17 I'm not sure if you're familiar with those; but  
18 that's the facilities we're looking to classify a  
19 switch with all the intended functions.

20 Q. Okay. And I noticed in the financial  
21 statements you did provide two different balance  
22 sheets, for one US Ave-Tel and one for Avenew.com --

1       A.     Right.  And Avenue being the holding company  
2     of US Ave-Tel.

3       Q.     Okay.

4       A.     Excuse me, the parent company.  I don't want  
5     to use holding company --

6       Q.     Okay.

7       A.     -- or my accountants will yell at me.

8       Q.     So is it still true that US Ave-Tel has no  
9     other assets other than cash at this point?

10      A.     That's true.

11      Q.     Okay.  And will the financial resources of  
12     Avenew.com still be available to US Ave-Tel in the  
13     future?

14      A.     Absolutely.

15      Q.     Okay.  To what extent?  Were they fully  
16     funded?

17      A.     Fully -- fully funded.

18      MR. KOCH:  Okay.  Those are the only questions I  
19     have.

20      MR. GILMORE:  Thank you very much.

21      JUDGE SAINOT:  I just have a few short  
22     questions.

1 EXAMINATION

2 BY

3 JUDGE SAINOT:

4 Q. Are there any changes in the -- I'm looking  
5 at the balance sheets that were provided -- that  
6 were attached to the financial statements. The  
7 testimony -- they're dated -- well one's dated March  
8 31st, the other is dated December 31st, 1999.

9 Have there been any changes since then?

10 A. Well, there's -- there's operational changes  
11 as far as US Ave-Tel goes. Obviously, we're waiting  
12 for this authority and then the subsequent  
13 negotiation with the ILEC before we begin any  
14 substantive business. So they're substantially the  
15 same.

16 Q. Okay. Thank you.

17 Is the company going to offer  
18 operator-assisted calls?

19 A. I believe we're asking for the authority.  
20 Whether it's really part of business model, I'd say  
21 no.

22 Q. Okay. And you understand that you will be

1 required to file rates and tariffs with the Commerce  
2 Commission?

3 A. Absolutely.

4 JUDGE SAINSOT: Okay. I don't have any further  
5 questions.

6 Are there any further matters?

7 MR. KOCH: Not in Springfield.

8 JUDGE SAINSOT: Okay. That concludes the  
9 hearing. The record will be marked heard and taken.  
10 Thank you all. Have a good day.

11 HEARD AND TAKEN.

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CERTIFICATE OF REPORTER

STATE OF ILLINOIS )  
 )  
COUNTY OF WILL )  
 )  
CASE NO. 00-0242 )

TITLE: US Ave-Tel, Inc., Application for a  
Certificate of Local and Interexchange Authority.

I, Christine L. Kowalski do hereby certify that  
I am a court reporter contracted by SULLIVAN  
REPORTING COMPANY, of Chicago, Illinois; that I  
reported in shorthand the evidence taken and the  
proceedings had in the hearing on the above -entitled  
case on the 25th day of May A.D. 2000; that the  
foregoing 23 pages are a true and correct transcript  
of my shorthand notes so taken as aforesaid, and  
contains all the proceedings directed by the  
Commission or other person authorized by it to  
conduct the said hearing to be stenographically  
reported.

Dated at Chicago, Illinois, this 19th day  
of June A.D. 2000.

REPORTER